



The Soy Export Weekly Update

April Census Crush Recap

The Census soybean crush reflected an increase in the daily crush rate from March to April that has occurred only 2 other times in the last 25 years. This increase appeared to be driven by a robust soybean meal export pace and an accumulation of soybean meal stocks to 383,000 tonnes at the end of April. While soybean meal export shipments have slowed, record outstanding export sales and attractive crush margins suggest a moderate easing of the crush pace until the lack of physical soybean supplies constrains the crush latter this summer. Soybean meal stocks were larger than expected. April soybean meal domestic disappearance was 8 percent below last year and 4 percent below the 5-year average.

The Census Bureau revised up April soybean oil stocks by 11,300 tonnes to 1.43 million tonnes – more in line with the NOPA-reported stocks. Fats and oils used in methyl ester (mainly biodiesel) production was revised up by 9,070 tonnes to 112,000 tonnes for March and pegged at 136,000 tonnes for April. The April increase appeared to come from animal fats as soybean oil usage declined from an upwardly revised 46,700 tonnes for March to 42,000 tonnes during April. Soybean oil accounted for just 31 percent of April's biodiesel production, reflecting the poor margins for soybean oil-based biodiesel. Soybean oil usage during April for traditional, non-biodiesel purposes was 12 percent below the previous year and the lowest for any month in over a decade.

Oregon's B2 Mandate Bill Progresses Through State Senate Committee

A key Oregon state senate committee recently approved a bill that will mandate a 2 percent biodiesel blend in every gallon of diesel sold at retail stations in the state starting August 1. The Senate Environment and Natural Resources Committee voted 3 to 1 in favor of the bill, with one abstention to allow HB3464A to advance from the committee, said Beth Herzog, a committee administrator.

Herzog said the bill passed after minor amendments, including one that says, "Given the interest in other renewable diesel, it is anticipated that a market for, and the means for production of, other renewable diesel to be established within two years, at which time Oregon may adopt appropriate regulations of other renewable diesel."

The biodiesel bill now heads to the Senate floor for a vote before being sent to the House for consideration. If passed, differences between the House and the Senate versions of the bill would be ironed out by a committee conference before the legislation is sent to Oregon Governor Ted Kulongoski for his signature.

Given these hurdles, Herzog wouldn't offer a timeline for when the bill would be voted on, but the legislature is scheduled to break for the summer in late June.

Under the legislation, the biodiesel mandate would climb to 5 percent once the state Department of Agriculture determines that production of biodiesel in the state has reached 15 million gallons, up from the current 7 million gallons. The bill says the state will send notices to dealers and product marketers when this target is reached and the mandate increases to B5 diesel.



Ag Groups Comment On Climate Bill

Agriculture and forestry groups told the House Agriculture Committee that any climate legislation Congress passes should not impose emissions-reduction requirements on farms and forests, according to the results of a questionnaire released June 4 by the panel. The committee submitted questionnaires in March to over 400 organizations to gather information on different options being weighed by Congress to address climate change. The panel received more than 200 responses. The responses total more than 2,500 pages. Some of the recommendations listed by several responders:

- Agriculture should be exempted from caps.
- Agriculture should be rewarded (paid) for carbon sequestration efforts.
- Farmers should get paid for actions they are already taking that sequester carbon.
- USDA should play a key role in verification.
- Land should not be taken out of production to provide carbon sequestration.
- Poor and rural residents may need additional assistance since they will face higher energy costs.

While most of the responses opposed regulating emissions from farms and forests, many said offsets from agriculture and forestry should be included in the bill. Agriculture and forestry “can serve as the source for relatively plentiful low-cost sources of greenhouse gas emission reductions” and could provide “plentiful and low-cost” emissions reductions through offsets, according to the American Farmland Trust. Examples of agriculture-related offsets mentioned include practices such as no-till farming or tree planting.

The American Soybean Association called for a “cautious approach” on climate change to ensure “U.S. agricultural producers and the industries that we depend on for inputs, processing, and transportation are not disadvantaged relative to our competitors.” The group views a cap-and-trade system as “the least harmful” for U.S. agriculture in terms of adverse impacts.

The National Farmers Union said that “the flexibility of a cap-and-trade program holds the most promise in making actual reductions in GHG emissions while minimizing, to the extent possible, overall energy cost increases resulting from climate legislation.” It also called for agricultural offsets and for excluding agriculture and forestry from the cap.

Bob Stallman of the American Farm Bureau Federation said the group’s policy is that Congress should not enact a carbon tax and that a cap-and-trade system should be voluntary. Agriculture and forestry should not be covered under a carbon-reduction program, the Farm Bureau said.

Soy Complex Higher; Tight Old Crop Supplies Could Lead To Price Volatility

The soy complex closed mostly higher on June 4. The tight old-crop situation has set the stage for volatile price action for the soybean complex and speculator’s heightened interest in commodities and fear of inflation are adding to it. With China’s crushing margins are poised to become negative upon the arrival of higher-priced soybeans and the drop in the South American basis, it is possible that many of the pieces are in place to ration usage. July bean futures were up \$17.64, finishing at \$451.94; August gained \$15.06, closing at \$432.84; and September was up \$13.41, ending at \$409.87. July meal increased \$21.49, closing at \$439.82; August was \$17.31 higher, finishing at \$412.48; and September meal closed up \$15.21, ending at \$389.88. July soyoil was \$24.03 higher, finishing at \$889.34; August was up \$23.81, closing at \$892.86; and September gained \$24.03, closing at \$896.83.



U.S. & South America Soybean/Products Balance

	United States			Argentina			Brazil		
	Actual	Estimate	Proj.	Actual	Estimate	Proj.	Actual	Estimate	Proj.
	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10	2007/08	2008/09	2009/10
Soybeans	<i>thousand tonnes</i>								
Carryin	15,617	5,580	3,531	1,876	4,460	325	3,110	4,818	2,210
Production	72,859	80,536	86,954	46,200	34,000	51,000	61,000	57,000	60,000
Imports	269	327	327	2,650	250	0	88	50	150
Crush	49,024	44,634	45,586	32,570	31,250	37,000	31,890	31,550	32,220
Exports	31,598	33,743	34,292	12,124	5,750	10,835	24,515	25,100	24,950
Other	2,543	4,535	4,672	1,572	1,385	1,650	2,975	3,008	3,075
Usage	83,165	82,912	84,550	46,266	38,385	49,485	59,380	59,658	60,245
Carryout	5,580	3,531	6,262	4,460	325	1,840	4,818	2,210	2,115
Soymeal	<i>thousand tonnes</i>								
Carryin	314	267	542	1,144	1,193	908	1,563	1,694	1,584
Production	38,322	35,528	36,137	25,480	24,438	28,934	24,880	24,490	24,970
Domestic use	30,078	27,578	27,941	634	650	684	12,250	12,525	12,875
Net Exports	8,291	7,675	8,196	24,797	24,073	27,858	12,499	12,075	11,790
Usage	38,369	35,253	36,137	25,431	24,723	28,542	24,749	24,600	24,665
Carryout	267	542	542	1,193	908	1,300	1,694	1,584	1,889
Soybean oil	<i>thousand tonnes</i>								
Carryin	1,399	1,126	1,226	310	363	400	341	505	375
Production	9,329	8,457	8,639	6,189	5,975	7,074	6,160	6,050	6,180
Domestic use	8,313	7,484	7,575	1,026	1,083	1,140	3,925	3,990	4,035
Net exports	1,289	873	1,209	5,110	4,855	5,950	2,071	2,190	2,130
Usage	9,602	8,357	8,784	6,136	5,938	7,090	5,996	6,180	6,165
Carryout	1,126	1,226	1,081	363	400	384	505	375	390

USDA Export Sales (tmt) - Week of 28 May 2009

Country	Commodity	New Sales	Accum. Exports
Canada	Soybeans	7.3	74.6
Colombia	Soybeans	1.2	150.4
Guatemala	Soybeans	4.1	5.1
Malaysia	Soybeans	1.8	74.6
Mexico	Soybeans	47.1	2347.9
Canada	Soymeal	21.7	679.5
Greece	Soymeal	41	0
Honduras	Soymeal	1.2	94.1
Indonesia	Soymeal	3.9	63.8
Japan	Soymeal	1.0	203.0
Mexico	Soymeal	23.1	879.0
Nicaragua	Soymeal	4.1	37.4

Country	Commodity	New Sales	Accum. Exports
Panama	Soymeal	14.6	96.3
Venezuela	Soymeal	53.0	404.6
Algeria	Soyoil	3.2	30.0
Canada	Soyoil	0.3	26.2
Guatemala	Soyoil	0.8	8.7

Export Sales Totals (tmt)

Commodity	Outstanding Sales	Accum. Exports	New Sales
Soybeans	4,442.9	29,293.4	-23.9
Soymeal	1,553.2	4,863.1	142.4
Soyoil	143.9	542.5	3.9



Thursday Spot and Futures Prices, 04 June 2009

<i>Item</i>	<i>Location</i>	<i>July</i>	<i>Aug</i>	<i>Sep</i>
Soybeans (\$/mt)	Central Ill./Chicago	451.94	432.84	409.87
	FOB Gulf (Basis)	478.77	459.66	442.94
	CIF Gulf Coast (Basis Chicago)	475.09	455.98	439.27
Board Crush Margin	\$/mt	33.63	33.34	40.46
		<i>July</i>	<i>Aug</i>	<i>Sep</i>
Soybean Meal 48%, HiPro (\$/mt)	Central Ill./Chicago	439.82	412.48	389.88
	FOB Gulf (Basis)	489.42	462.08	467.04
	West Coast (Basis)	519.18	492.95	494.60
Soybean Meal 44% (\$/mt)	Central Ill./Chicago	439.82	412.48	389.88
	FOB Gulf (Basis)	478.40	451.06	456.02
	West Coast (Basis)	508.16	481.93	483.58
Soybean Oil, Crude (\$/mt)	Central Ill./Chicago	889.34	892.86	896.83
	FOB Gulf (Basis)	889.34	892.86	896.83
		<i>Beans</i>	<i>Meal</i>	<i>Oil</i>
1 year ago prices	Chicago, \$/mt	533.51	411.71	1381.18

Weekly Statistics, Past Five Weeks (\$/mt)

	<i>30-Apr</i>	<i>7-May</i>	<i>14-May</i>	<i>21-May</i>	<i>28-May</i>
Nearby Soybean Futures (CBT)	393.15	404.91	421.63	431.73	433.20
Basis Central Illinois	400.50	414.10	434.49	444.59	447.90
Basis Gulf	412.26	434.31	454.70	464.80	460.76
Nearby Soybean Meal Futures (CBT)	377.54	376.66	399.36	417.99	423.06
Basis Decatur	384.15	394.29	422.18	441.14	449.52
Basis Gulf	416.12	425.16	448.97	467.60	472.67
Basis West Coast	445.88	458.23	475.42	494.05	499.12
Nearby Soybean Oil Futures (CBT)	798.51	854.94	856.27	837.31	833.56
Basis Decatur	748.90	816.36	826.50	870.38	800.49
Basis Gulf	787.48	854.94	867.29	848.33	833.56
BIFFEX Ocean Freight Rates					
US Gulf/Cont., grains basis	17.54	24.81	27.29	25.20	30.52
US Gulf/Japan, grains basis	36.40	41.77	44.76	43.19	49.68
PNW/Japan, grains basis	20.29	22.56	23.07	24.19	27.22
PNW/Japan Spread	16.11	19.21	21.69	19.00	22.46
US Corn, CBOT Nearby Futures	156.00	159.34	165.94	166.92	168.79
US Sorghum, Gulf Cash Price	155.98	156.31	162.70	165.35	162.92
Canadian Canola, Nearby Winnipeg	371.87	396.74	410.25	419.75	409.09



